

ASTARTA HOLDING N.V.

SEMIANNUAL REPORT

of the Board of Directors
for the six months period ended 30 June 2019



ASTARTA Holding N.V.
agri-industrial holding

Overview

The reporting period for the first six months of 2019 traditionally reflects the results of the farming segment. The season started with the sowing campaign of spring crops giving way to the harvesting campaign which started at the end of June this year. As of date of this report ASTARTA's farming units finished harvesting early grain crops (such as winter wheat) in the amount 263kt which was 5% higher than in the previous year on supportive weather conditions.

Start of the harvesting campaign this year was marked with the finalization of the silo construction project and the launch of the Company's largest silo capacities of 120kt in the Poltava region. With this, ASTARTA completed the five-year silo investment program into seven modern silos with total capacity of 550kt in the Poltava, Vinnytsia and Khmelnytsky regions.

Sugar prices remained suppressed both in global and local markets due to abundant production and stocks of sugar from the previous season and increased supply of the product. Agricultural commodities such as grain were affected by changes in estimates for global corn supply and demand. Uncertainty over planting campaign in the world's biggest corn producing country (the USA) amid the spread of the swine flu in the world's biggest corn consuming country (China) caused turbulence in global feed grain prices.

The Company's consolidated revenues increased by 1/3 to EUR228m in 1H19, compared to 1H18, driven by strong growth in the agricultural segment (47% share in total revenues in 1H19). ASTARTA capitalized on corn price growth by pushing through sales volumes to 512kt in 1H19 (more than two-fold compared to 1H18) thanks to abundant harvest in 2018. Share of exports in total revenues increased correspondingly from 52% in 1H18 to 64% in 1H19.

Sugar revenues came down by 1/5 to EUR55m y-o-y as the Company reduced sugar production and sales amid depressed prices. Soybean products brought in EUR46m of revenues, up by 16% y-o-y, on higher volume sales, while the dairy revenues increased to EUR17m on more favorable product prices.

Profitability remained subdued at 30% Gross Margin in 1H19 compared to 39% in 1H18 under pressure from the Sugar Segment and a higher share of FV measurement in Agricultural Produce in Cost of Sales. Excluding the impact of IAS41, Gross Profit would have been EUR53m and EBITDA – EUR48m for 1H19. The reported net profit for 1H19 amounted to EUR30m, down by 1/5 y-o-y.

In 1H19 ASTARTA focused on maximizing its operating cash flows through release of working capital and sale of inventories. This allowed the Company to repay net EUR49m of finance debt and improve overall leverage. As at 30 June 2019 the Company was in breach of certain financial covenants under a number of bank loans, however management believes that the banks will not demand accelerated repayment of the loans. Capex was reduced to maintenance levels across the segments apart from finalizing the 5-year investment project of completing 550kt silo storage facilities in 2019.

ASTARTA'S management focused its financial goals on releasing working capital, reducing investments to stable maintenance levels while sugar prices remain historically low; on bringing leverage to a sound level and employing wide ranging cost cutting measures to reduce fixed and variable costs across the board.

Key financial data

Summary P&L - EURk	1H18	1H19
Revenues, including	175 115	227 964
<i>Agricultural segment</i>	49 830	106 228
<i>Sugar segment</i>	67 487	55 322
<i>Soybean segment</i>	39 719	45 978
<i>Dairy segment</i>	14 654	16 749
Cost of sales, including	(154 192)	(205 683)
<i>Effect of FV remeasurement of AP</i>	(15 418)	(30 847)
Changes in FV of BA and AP	47 478	46 448
Gross profit	68 401	68 729
<i>Gross profit margin</i>	39%	30%
EBIT	40 871	37 994
Depreciation & Amortisation	18 985	25 624
EBITDA, including	59 856	63 618
<i>Agricultural segment</i>	51 616	51 428
<i>Sugar segment</i>	7 402	4 098
<i>Soybean segment</i>	1 871	5 039
<i>Dairy segment</i>	801	3 454
EBITDA margin	34%	28%
Financial costs	(6 276)	(9 722)
Land lease costs	(7 011)	(8 733)
Forex gain/loss	9 748	10 119
Net profit (loss)	37 252	30 271
<i>Net profit (loss) margin</i>	21%	13%

Summary Cash Flows - EURk	1H18	1H19
Pre-tax income	38 396	29 895
D&A	18 985	25 624
Financial interest expenses, net	4 873	8 804
Land lease expenses	7 011	8 733
Changes in FV of BA and AP	(47 478)	(46 448)
Forex gain/loss	(9 748)	(10 119)
Income taxes paid	(1 336)	(1 418)
Working Capital changes	14 732	78 154
Operating Cash Flows	26 539	93 395
Agricultural capex (incl. silo)	(13 106)	(15 724)
Other	(7 110)	(71)
Investing Cash Flows	(20 216)	(15 795)
Debt proceeds	89 231	46 745
Debt repayment	(68 175)	(95 462)
Finance interest paid	(4 630)	(9 132)
Land lease repayment	(13 439)	(16 389)
Financing Cash Flows	1 259	(74 238)

Summary Balance Sheet - EURk	YE18	1H19
Right-of-use asset (land)	80 723	91 757
Biological assets (non-current)	17 064	18 121
PP&E and other	280 815	291 689
Inventories, including	234 939	92 953
<i>RMI*</i>	182 333	49 165
Biological assets (current)	16 004	160 973
AR and other	76 259	74 960
Cash and equivalents	13 492	17 989
Total Assets	719 296	748 442
Equity	362 969	417 190
Long-term loans	1 542	744
Lease liability (mainly land)	59 063	68 900
Other	15 808	15 084
Non-current liabilities	76 413	84 728
ST debt and similar	230 601	187 989
Current lease liability (mainly land)	17 742	17 223
Other	31 571	41 312
Current liabilities	279 914	246 524
Total equity and liabilities	719 296	748 442
Net Debt, including	295 456	256 867
<i>Lease liability (mainly land)</i>	76 805	86 123
Adj Net Debt = (ND-RMI)	113 123	207 702
EBITDA (LTM)	56 872	60 634
<i>Net Debt/EBITDA (LTM)</i>	5,2	4,2
<i>Adj Net Debt/EBITDA (LTM)</i>	2,0	3,4

*RMI = Finished Goods

Agriculture

Share in consolidated revenues: 47%
 Segment sales: EUR 106 million
 Export sales of grains (volumes): 95%

Crops sales and price performance

	1H18	1H18	1H19	1H19
	kt	EUR/t	kt	EUR/t
Wheat	52	150	17	176
Corn	189	143	512	153
Sunseeds	46	303	18	290

EURk	1H18	1H19
Revenues	49 830	106 228
Cost of revenues	(45 600)	(99 874)
BA revaluation	48 533	46 219
Gross profit	52 763	52 573
<i>Gross margin</i>	<i>106%</i>	<i>49%</i>
G&A	(5 608)	(6 715)
S&D	(7 882)	(11 342)
Other income/costs	(586)	(484)
EBIT	38 687	34 032
EBITDA	51 616	51 428
<i>EBITDA margin</i>	<i>104%</i>	<i>48%</i>

Astarta capitalized on corn price growth by pushing through sales volumes to 512kt in 1H19 (more than two-fold compared to 1H18) thanks to abundant harvest in 2018. Exports of total grains reached 95% of total volumes, or 525kt, compared to 80% in 1H18.

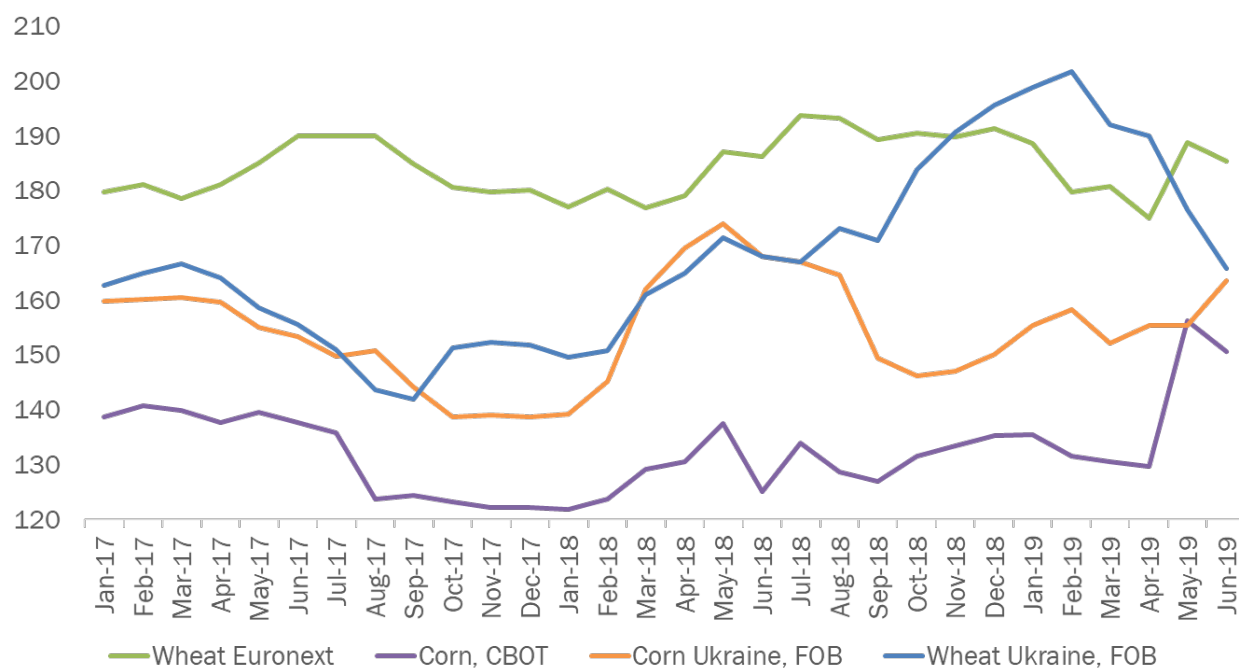
1H19 revenues grew correspondingly to EUR106m making the agricultural segment the biggest contributor to the Company's consolidated revenues with 47% share. Gross Profit and EBITDA remained flat at EUR53m and EUR51m.

G&A expenses declined from 11% to 6% of segment revenues, S&D costs - from 16% and 11%, correspondingly, on higher sales volumes and change of delivery terms.

This year the total area under spring crops remained at the level of last year (c.170kha). By end of July, the farming units of the Company started harvesting early grains such as winter wheat bringing in total harvest of 263kt (+5% y-o-y) including 255kt of winter wheat with an average yield of 5.1 t/ha (+10% y-o-y).

Prices for agricultural commodities such as grain were affected by changes in estimates for global corn supply and demand. Uncertainty over planting campaign in the world's biggest corn producing country (the USA) amid the spread of the swine flu in world's biggest corn consuming country (China) caused turbulence in global feed grain prices.

Ukrainian and international grain price performance, EUR/t



Source: APK-inform, Bloomberg

Sugar

Share in consolidated revenues: 24%
 Segment revenues: EUR 55 million
 Export sales of sugar (volumes): 9%

Sugar sales and price performance

	1H18	1H19
Sugar, kt	185	153
Sugar-by products, kt	50	44
Sugar prices, EUR/t	340	329

EURk	1H18	1H19
Revenues	67 487	55 322
Cost of revenues	(56 978)	(50 351)
Gross profit	10 509	4 971
Gross margin	16%	9%
G&A	(2 765)	(2 771)
S&D	(5 039)	(3 845)
Other income/costs	383	(76)
EBIT	3 088	(1 721)
EBITDA	7 402	4 098
EBITDA margin	11%	7%

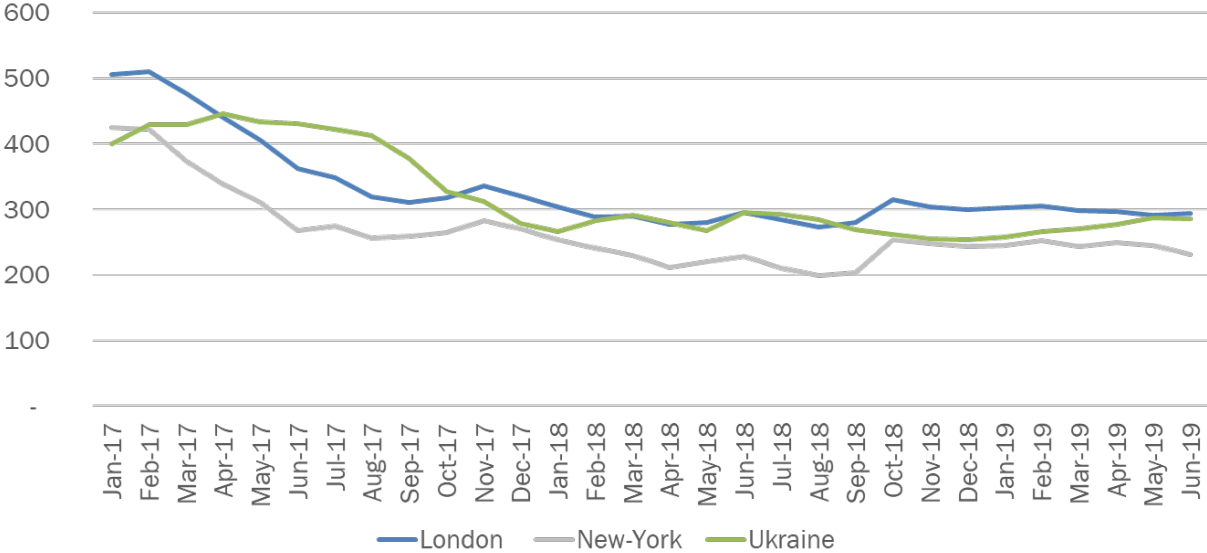
Sugar revenues down by 1/5 to EUR55m in 1H19 versus the previous year as the Company reduced sugar output and sales (153kt in 1H19 versus 185kt in 1H18) amid depressed prices. The Company exported 14kt of sugar (down 84% y-o-y) during the first six months of 2019.

Prices in EUR also continued to fall from EUR340 per ton in 1H18 versus EUR329 in 1H19 due to appreciation of the local currency (from average EUR32,4 to EUR30,4). Gross Margin compressed from 16% in 1H18 to 9% in 1H19 also due to cost inflation. Segment EBITDA amounted to EUR4.1m in 1H19 compared to EUR7.4m in 1H18.

In the reporting period Ukrainian sugar prices remained under pressure from oversupply, limiting the potential for meaningful price recovery. The market is still working through an estimated 0.5mt production/consumption gap since 2016. At the same time, the Ukrainian market has become fully integrated into global sugar trade flows allowing for sizeable exports (0.6mt in 2018) when the global sugar prices are more favourable. Global pricing trends were not supportive enough for Ukrainian sugar exports in 1H19, thus, according to analytical agency Agrochart, the industry’s overseas sales declined by 38% to 0.2mt.

The international sugar prices remained suppressed from overproduction in previous seasons and, as a result, strong global supplies. At the same time considering the current output trends in key producing countries like India and Brazil, the 2019/20 season could see another decline in global sugar production. Considering that global consumption is forecast to increase, sugar balance could turn into deficit thus lifting the prices from this year’s lows.

Sugar price performance, EUR/t



Source: AAA

Soybean

Share in consolidated revenues: 20%
Segment sales: EUR 46 million
Export sales of soybean products (volumes): 87%

Soybean products sales and price performance

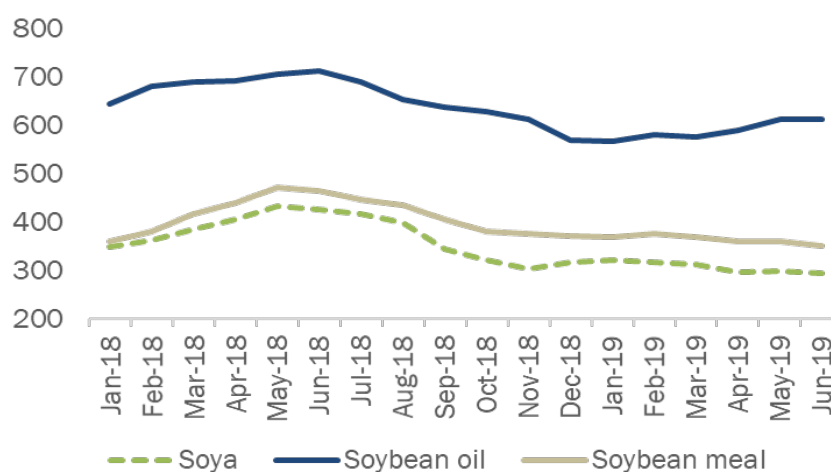
	1H18	1H18	1H19	1H19
	kt	EUR/t	kt	EUR/t
Soybean meal	78	329	93	326
Soybean oil	22	621	26	568

EURk	1H18	1H19
Revenues	39 719	45 978
Cost of revenues	(36 431)	(38 565)
Gross profit	3 288	7 413
<i>Gross profit margin</i>	8%	16%
G&A	(228)	(248)
S&D	(1 577)	(2 588)
Other income/costs	(160)	(249)
EBIT	1 323	4 328
EBITDA	1 871	5 039
<i>EBITDA margin</i>	5%	11%

Soybean products sales and revenue volumes increased by c. 1/5 in 1H19 compared to the previous year. Revenues advanced by 16% y-o-y to EUR46m supported by firm sales volume growth which offset price declines. Exports were strong at 87% (110kt) of total sales volume versus 75% (or 78kt) in the same period last year. Gross margin doubled from EUR3.3m to EUR7.4m on more favourable input costs, leading to EBITDA increase from EUR1.9m to EUR5.0m.

In the reporting period average soybean prices somewhat declined reflecting increased competition in the international markets. Lower local soybean prices to a certain extent softened impact of decreased prices for key soybean products. International prices for soybean products in the first quarter of 2019 felt pressure from decreasing consumption by China due to drop in hog population.

Ukrainian price for soybean and soybean products, EUR/t



Source: APK-inform

Dairy

Share in consolidated revenues: 14%
Segment sales: EUR 17 million

Segment performance

	1H18	1H19
Milk production, kt	55	52
Herd, k heads	26	25
Milk yield, kg/day	20,0	20,7
Milk sales, kt	54	51
Milk price, EUR/t	244	297

EURk	1H18	1H19
Revenues	14 654	16 749
Cost of revenues	(12 169)	(13 374)
BA revaluation	(1 055)	229
Gross profit	1 430	3 604
Gross profit margin	10%	22%
G&A	(1 292)	(725)
S&D	(209)	(171)
Other income/costs	136	(11)
EBIT	65	2 697
EBITDA	801	3 454
EBITDA margin	5%	21%

During the reporting period ASTARTA's milking herd stood at 25k heads (down from 26k in 1H18) leading to lower milk sales volumes of 51kt (versus 54kt in the previous year). However, the sector enjoyed improved profitability amid more favourable milk price environment resulting in a three-fold EBITDA increase to EUR3.5m in the first six months of 2019.

In the reporting period, total milk production in Ukraine declined by 3.4% to 4.8mt according to Ukrstat. Industrial milk production declined by 1.5% to 1.4mt. Lower milk supply led to an average local milk price increase by 15% to EUR308 per ton in 1H2019.

STATEMENT OF THE BOARD OF DIRECTORS

Representation

of the Board of Directors of ASTARTA Holding N.V. on compliance of the condensed consolidated interim financial statements. The Board of Directors of ASTARTA Holding N.V. hereby represents that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 30 June 2019 and the comparable information were prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of STARTA Holding N.V., and that the interim statement for the six months ended 30 June 2019 gives a true view of the developments, achievements and situation of the Company, including a description of the key risks and threats.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk (signed)

V. Gladkyi (signed)

M.M.L.J. van Campen (signed)

H.A Dahl (signed)

G.Mettetal (signed)

H.Arslan (signed)

Disclaimer regarding forecasts. Certain statements contained in this report may constitute forecasts and estimates. Such predictions are subject to a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied via forward-looking statements.

ASTARTA HOLDING N.V.

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTHS ENDED
30 JUNE 2019**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	6	8 409 856	8 526 550	7 573 437
Right-of-use asset	4	2 727 963	2 560 064	2 477 803
Investment property		70 932	74 285	-
Intangible assets	7	35 218	33 826	26 050
Biological assets	8	538 717	541 182	751 162
Value added tax		117 074	221 811	790 073
Long-term receivables and prepayments	10	38 880	49 313	20 293
		11 938 640	12 007 031	11 638 818
Current assets				
Inventories	9	2 763 513	7 450 931	2 948 280
Biological assets	8	4 785 781	507 540	5 050 696
Trade accounts receivable	10	499 791	699 045	328 451
Other accounts receivable and prepayments	10	1 719 901	1 710 538	765 292
Current income tax		8 887	8 877	2 811
Short-term cash deposits		19 487	9 013	25 867
Cash and cash equivalents	11	515 358	418 882	676 363
		10 312 718	10 804 826	9 797 760
Total assets		22 251 358	22 811 857	21 436 578
EQUITY AND LIABILITIES				
Equity				
Share capital	12	1 663	1 663	1 663
Additional paid-in capital		369 798	369 798	369 798
Retained earnings		8 849 116	7 667 485	9 343 109
Revaluation surplus		2 788 164	3 072 158	2 623 042
Treasury shares		(119 260)	(119 260)	(95 934)
Currency translation reserve		513 666	519 416	444 179
Total equity		12 403 147	11 511 260	12 685 857
Non-current liabilities				
Loans and borrowings	13	22 109	48 910	2 230 800
Non-controlling interests in limited liability companies		44 649	45 132	56 532
Other long-term liabilities		2 945	2 411	3 466
Lease liability	4	2 048 400	1 873 145	1 911 118
Deferred tax liabilities		400 841	453 786	316 039
		2 518 944	2 423 384	4 517 955
Current liabilities				
Loans and borrowings	13	5 491 781	7 142 803	2 272 852
Current portion of long-term loans and borrowings	13	97 196	170 499	787 094
Trade accounts payable		568 377	216 354	179 108
Current portion of lease liability	4	512 038	562 687	384 360
Current income tax		32 086	50 199	25 522
Other liabilities and accounts payable	14	627 789	734 671	583 830
		7 329 267	8 877 213	4 232 766
Total equity and liabilities		22 251 358	22 811 857	21 436 578

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

<i>(in thousands of Euros)</i>	Notes	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	6	282 872	268 857	247 757
Right-of-use asset	4	91 757	80 723	81 059
Investment property		2 386	2 342	-
Intangible assets	7	1 185	1 067	1 101
Biological assets	8	18 121	17 064	24 574
Value added tax		3 938	6 994	25 846
Long-term receivables and prepayments	10	1 308	1 555	664
		401 567	378 602	381 001
Current assets				
Inventories	9	92 953	234 939	96 450
Biological assets	8	160 973	16 004	165 228
Trade accounts receivable	10	16 811	22 042	10 745
Other accounts receivable and prepayments	10	57 850	53 937	25 037
Current income tax		299	280	92
Short-term cash deposits		655	284	846
Cash and cash equivalents	11	17 334	13 208	22 127
		346 875	340 694	320 525
Total assets		748 442	719 296	701 526
EQUITY AND LIABILITIES				
Equity				
Share capital	12	250	250	250
Additional paid-in capital		55 638	55 638	55 638
Retained earnings		504 365	462 622	512 711
Revaluation surplus		127 386	138 861	127 102
Treasury shares		(5 527)	(5 527)	(4 801)
Currency translation reserve		(264 922)	(288 875)	(275 645)
Total equity		417 190	362 969	415 255
Non-current liabilities				
Loans and borrowings	13	744	1 542	72 978
Non-controlling interests in limited liability companies		1 502	1 423	1 849
Other long-term liabilities		99	76	113
Lease liability	4	68 900	59 063	62 520
Deferred tax liabilities		13 483	14 309	10 339
		84 728	76 413	147 799
Current liabilities				
Loans and borrowings	13	184 720	225 225	74 354
Current portion of long-term loans and borrowings	13	3 269	5 376	25 749
Trade accounts payable		19 118	6 823	5 859
Current portion of lease liability	4	17 223	17 742	12 574
Current income tax		1 079	1 583	835
Other liabilities and accounts payable	14	21 115	23 165	19 101
		246 524	279 914	138 472
Total equity and liabilities		748 442	719 296	701 526

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

<i>(in thousands of Ukrainian hryvnias)</i>	<i>Notes</i>	2019 (unaudited)	2018 (unaudited)
Revenues	15	6 939 336	5 683 417
Cost of revenues	16	(6 258 436)	(5 001 047)
Changes in fair value of biological assets and agricultural produce		1 393 036	1 498 990
Gross profit		2 073 936	2 181 360
Other operating income	17	69 708	76 069
General and administrative expense	18	(326 353)	(348 892)
Selling and distribution expense	19	(556 054)	(504 190)
Other operating expense	20	(126 430)	(116 762)
Profit from operations		1 134 807	1 287 585
Finance costs	21	(295 897)	(198 580)
Interest expense on lease liability	21	(265 614)	(221 829)
Foreign currency exchange loss	21	305 295	308 428
Finance income	21	14 878	24 845
Other income/expense		(7 520)	8 845
Loss/Profit before tax		885 949	1 209 294
Income tax expense		11 789	(36 019)
Net loss/profit		897 738	1 173 275
Net loss/profit attributable to:			
Equity holders of the parent company		897 738	1 173 275
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 386	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		36,81	48,08

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

<i>(in thousands of Euros)</i>	<i>Notes</i>	2019	2018
		(unaudited)	(unaudited)
Revenues	15	227 964	175 115
Cost of revenues	16	(205 683)	(154 192)
Changes in fair value of biological assets and agricultural produce		46 448	47 478
Gross profit		68 729	68 401
Other operating income	17	2 314	2 394
General and administrative expense	18	(10 738)	(10 865)
Selling and distribution expense	19	(18 175)	(15 466)
Other operating expense	20	(4 136)	(3 593)
Profit from operations		37 994	40 871
Finance costs	21	(9 722)	(6 276)
Interest expense on lease liability	21	(8 733)	(7 011)
Foreign currency exchange loss	21	10 119	9 748
Finance income	21	489	785
Other income/expense		(252)	279
Loss/Profit before tax		29 895	38 396
Income tax expense		376	(1 144)
Net loss/profit		30 271	37 252
Net loss/profit attributable to:			
Equity holders of the parent company		30 271	37 252
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 386	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		1,24	1,53

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2019

<i>(in thousands of Ukrainian hryvnias)</i>	2019 (unaudited)	2018 (unaudited)
Loss/Profit for the period	897 738	1 173 275
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	(15 926)	(63 460)
Income tax effect	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(15 926)	(63 460)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations (the parent company)	10 176	12 573
Income tax effect	-	-
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	(123)	794
Income tax effect	22	(143)
	(101)	651
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	10 075	13 224
Total comprehensive income	891 887	1 123 039
Attributable to:		
Non-controlling interests in joint stock companies	-	-
Equity holders of the parent	891 887	1 123 039
Total comprehensive income as at 30 June	891 887	1 123 039

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2019

<i>(in thousands of Euros)</i>	2019 (unaudited)	2018 (unaudited)
Loss/Profit for the period	30 271	37 252
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	23 953	32 780
Income tax effect	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	23 953	32 780
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations (the parent company)	-	-
Income tax effect	-	-
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	(4)	24
Income tax effect	1	(4)
	(3)	20
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	(3)	20
Total comprehensive income (loss)	54 221	70 052
Attributable to:		
Non-controlling interests in joint stock companies	-	-
Equity holders of the parent	54 221	70 052
Total comprehensive income as at 30 June	54 221	70 052

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2019

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2019 (unaudited)	2018 (unaudited)
Operating activities			
Loss/Profit before tax		885 949	1 209 294
<i>Adjustments for:</i>			
Depreciation and amortization		779 665	615 283
Allowance for impairment of trade and other accounts receivable		15	1 651
Loss on disposal of property, plant and equipment	20	20 928	3 218
Write down of inventories	20	23 656	42 138
VAT written off	20	6 627	16 632
Interest income	21	(14 341)	(11 022)
Gain on non-controlling interest purchase	21	(258)	(13 823)
Interest expense	21	282 271	165 196
Other finance costs	21	13 952	16 758
Interest expense on lease liability	4	265 614	221 829
Changes in fair value of biological assets and agricultural produce		(1 393 036)	(1 498 990)
Recovery of assets previously written off	17	(58 637)	(46 801)
Non-controlling interests in limited liability companies	21	(326)	16 626
Foreign exchange (gain)loss on loans and borrowings, deposits	21	(305 295)	(308 428)
<i>Working capital adjustments:</i>			
Decrease in inventories		4 721 260	3 578 857
Increase in trade and other receivables		326 622	(14 125)
Increase in biological assets due to other changes		(2 881 601)	(2 978 435)
Increase in trade and other payables		211 772	(110 655)
Income taxes paid		(43 137)	(43 311)
Cash flows provided by operating activities		2 841 700	861 892
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(490 552)	(671 354)
Proceeds from disposal of property, plant and equipment		5 987	(456)
Interest received	21	14 341	11 022
Cash deposits placement		(20 587)	(18 785)
Cash deposits withdrawal		10 214	24 144
Cash flows used in investing activities		(480 597)	(655 429)
Financing activities			
Proceeds from loans and borrowings		1 422 352	2 891 896
Repayment of loans and borrowings		(2 904 681)	(2 209 490)
Payment of lease liabilities	4	(498 673)	(435 547)
Acquisition of non-controlling interest		-	(56 014)
Interest paid		(277 875)	(150 048)
Cash flows (used in) provided by financing activities		(2 258 877)	40 797
Net decrease in cash and cash equivalents		102 226	247 260
Cash and cash equivalents as at 1 January		418 882	479 990
Currency translation difference		(5 750)	(50 887)
Cash and cash equivalents as at 30 June		515 358	676 363

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2019

<i>(in thousands of Euros)</i>	Notes	2019	2018
		(unaudited)	(unaudited)
Operating activities			
Loss/Profit before tax		29 895	38 396
<i>Adjustments for:</i>			
Depreciation and amortization		25 624	18 985
Allowance for impairment of trade and other accounts receivable		1	50
Loss on disposal of property, plant and equipment	20	685	99
Write down of inventories	20	774	1 297
VAT written off	20	217	512
Interest income	21	(471)	(348)
Gain on non-controlling interest purchase	21	(8)	(437)
Interest expense	21	9 275	5 221
Other finance costs	21	458	531
Interest expense on lease liability	4	8 733	7 011
Changes in fair value of biological assets and agricultural produce		(46 448)	(47 478)
Recovery of assets previously written off	17	(1 946)	(1 473)
Non-controlling interests in limited liability companies	21	(11)	525
Foreign exchange (gain)loss on loans and borrowings, deposits	21	(10 119)	(9 748)
<i>Working capital adjustments:</i>			
Decrease in inventories		155 163	110 427
Increase in trade and other receivables		10 734	(435)
Increase in biological assets due to other changes		(94 703)	(91 901)
Increase in trade and other payables		6 960	(3 359)
Income taxes paid		(1 418)	(1 336)
Cash flows provided by operating activities		93 395	26 539
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(16 122)	(20 715)
Proceeds from disposal of property, plant and equipment		197	(14)
Interest received	21	471	348
Cash deposits placement		(677)	(580)
Cash deposits withdrawal		336	745
Cash flows used in investing activities		(15 795)	(20 216)
Financing activities			
Proceeds from loans and borrowings		46 745	89 231
Repayment of loans and borrowings		(95 462)	(68 175)
Payment of lease liabilities	4	(16 389)	(13 439)
Acquisition of non-controlling interest		-	(1 728)
Interest paid		(9 132)	(4 630)
Cash flows (used in) provided by financing activities		(74 238)	1 259
Net decrease in cash and cash equivalents		3 362	7 582
Cash and cash equivalents as at 1 January		13 208	14 330
Currency translation difference		764	215
Cash and cash equivalents as at 30 June		17 334	22 127

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019

Attributable to equity holders of the parent company

<i>(in thousands of Ukrainian hryvnias)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2019	1 663	369 798	7 667 485	3 072 158	(119 260)	519 416	11 511 260
Net loss/profit	-	-	897 738	-	-	-	897 738
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(101)	-	-	(101)
Exchange difference on translation	-	-	-	-	-	(5 750)	(5 750)
Total other comprehensive income, net of tax	-	-	-	(101)	-	(5 750)	(5 851)
Total comprehensive income	-	-	897 738	(101)	-	(5 750)	891 887
Realisation of revaluation surplus, net of tax	-	-	283 893	(283 893)	-	-	-
As at 30 June 2019	1 663	369 798	8 849 116	2 788 164	(119 260)	513 666	12 403 147

Attributable to equity holders of the parent company

<i>(in thousands of Euros)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2019	250	55 638	462 622	138 861	(5 527)	(288 875)	362 969
Net loss/profit	-	-	30 271	-	-	-	30 271
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(3)	-	-	(3)
Exchange difference on translation	-	-	-	-	-	23 953	23 953
Total other comprehensive income, net of tax	-	-	-	(3)	-	23 953	23 950
Total comprehensive income	-	-	30 271	(3)	-	23 953	54 221
Realisation of revaluation surplus, net of tax	-	-	11 472	(11 472)	-	-	-
As at 30 June 2019	250	55 638	504 365	127 386	(5 527)	(264 922)	417 190

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2018

Attributable to equity holders of the parent company

<i>(in thousands of Ukrainian hryvnias)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2018	1 663	369 798	8 036 911	2 842 286	(95 934)	495 066	11 649 790
Net loss/profit	-	-	1 173 275	-	-	-	1 173 275
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	651	-	-	651
Exchange difference on translation	-	-	-	-	-	(50 887)	(50 887)
Total other comprehensive income, net of tax	-	-	-	651	-	(50 887)	(50 236)
Total comprehensive income	-	-	1 173 275	651	-	(50 887)	1 123 039
Realisation of revaluation surplus, net of tax	-	-	219 895	(219 895)	-	-	-
Adjustments on adoption of IFRS 16 (Note 4)	-	-	(86 972)	-	-	-	(86 972)
As at 30 June 2018	1 663	369 798	9 343 109	2 623 042	(95 934)	444 179	12 685 857

Attributable to equity holders of the parent company

<i>(in thousands of Euros)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2018	250	55 638	468 135	137 003	(4 801)	(308 425)	347 800
Net loss/profit	-	-	37 252	-	-	-	37 252
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	20	-	-	20
Exchange difference on translation	-	-	-	-	-	32 780	32 780
Total other comprehensive income, net of tax	-	-	-	20	-	32 780	32 800
Total comprehensive income	-	-	37 252	20	-	32 780	70 052
Realisation of revaluation surplus, net of tax	-	-	9 921	(9 921)	-	-	-
Impairment, net of tax	-	-	-	-	-	-	-
Adjustments on adoption of IFRS 16 (Note 4)	-	-	(2 597)	-	-	-	(2 597)
As at 30 June 2018	250	55 638	512 711	127 102	(4 801)	(275 645)	415 255

The notes on pages 23 to 45 are an integral part of these consolidated financial statements.

1 BACKGROUND

Organisation and operations

These consolidated financial statements are prepared by ASTARTA Holding N.V. (the Company), a Dutch public company incorporated in Amsterdam, the Netherlands, on 9 June 2006 under the Dutch law.

The Company's legal address is Jan van Goyenkade 8, 1075 HP Amsterdam, the Netherlands.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to ASTARTA Holding N.V. After the contribution, ASTARTA Holding N.V. owns 100% of share capital of Ancor Investment Ltd.

Ancor Investments Ltd owns 99.98% of the capital of LLC «Firm «Astarta-Kyiv» (Astarta-Kyiv) registered in Ukraine, which in turn controls number of subsidiaries in Ukraine (hereinafter the Company and its subsidiaries are collectively referred to as the «Group»).

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

The Group specializes in sugar production, crop growing, soybean processing and cattle farming. The croplands, sugar plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Cherkasy, Ternopil, Zhytomyr and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet.

(a) Ukrainian business environment

During six months ended 30 June 2019 annual inflation rate decreased to 7.4% (2018: 9.3%). In 2018 year, the Ukrainian economy proceeded with recovery from the economic and political crisis of previous years and demonstrated sound real GDP growth of around 3% (2017: 2%), modest annual inflation of 10% (2017: 14%), and slight devaluation of national currency by around 2% to USD and 7% to EUR compared to previous year averages.

Also, Ukraine continued to limit its political and economic ties with Russia, given annexation of Crimea, an autonomous republic of Ukraine, and a frozen armed conflict with separatists in certain parts of Luhanska and Donetska regions. Amid such events, the Ukrainian economy demonstrated further refocusing on the European Union ("EU") market realizing all potentials of established Deep and Comprehensive Free Trade Area with EU, in such a way effectively reacting to mutual trading restrictions imposed between Ukraine and Russia. As a result, the weight of the Russian's export and import substantially fell from 18.2% and 23.3% in 2014 to around 7.7% and 14.2% in 2018, respectively.

In terms of currency regulations, the new currency law was adopted in 2018 and came into force on 7 February 2019. It purports to enable the NBU to promulgate more liberal currency regulation and soften a number of currency restrictions, such as: requirement to register loans obtained from non-residents with the NBU, a 180-day term for making payments in foreign economic transactions, etc.

Further economic growth depends, to a large extent, upon success of the Ukrainian government in realization of planned reforms, cooperation with the International Monetary Fund ("IMF").

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2018 which have been prepared in accordance with IFRS.

(b) Going Concern

These accompanying condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the Group will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

As at 30 June 2019 loans and borrowings (excluding the finance lease) amounted to UAH 5,570 million (EUR 187 million). Number of financial and non-financial covenants are attached to the majority of the interest-bearing loans and borrowings.

However, for the six months ended 30 June 2019 the Group has earned net profit amounting to UAH 898 million (EUR 30 million). As at 30 June 2019 the Group had strong liquidity and its current assets exceeded current liabilities by UAH 2,983 million or EUR 100 million. Cash flows from operating activities for the period then ended have increased by UAH 1,978 million or EUR 67 million in comparison with the previous period. During January-June 2019 the Group has received long-term loans from Ukrainian and foreign banks in amount of UAH 339 million or EUR 11 million.

As at 30 June 2019 the Group was in breach of certain financial covenants under a number of bank loans mostly due to lower prices for sugar and commodity prices. Consequently the Group reclassified borrowings amounting to UAH 2,578 million (EUR 85 million) from non-current to current liabilities.

The Group believes that at current global and local market price levels, many producers cannot be profitable, so volume and price adjustments are a matter of time. The experience gained by the Group during previous cycles of low sugar prices, both on local and global markets, is now contributing into ability of the company to mitigate risks and challenges during such cycles. The company operates diversified and flexible business model that ensure ability to switch from sugar beet growing to other crops with positive impact to cash position of the company. The Group continues to pursue their programs of cutting costs by withdrawing from operation of excessive processing capacities and boosting efficiency through commissioned infrastructure objects. It also remains essential that the Group maintains its outstanding reputation that enable it to cooperate with predictable and reputable partners.

Management expects that the sugar prices will increase and given the quantity in stocks will have positive effect on the results for forthcoming periods.

Based on Group's plans for forthcoming 2019, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2019. That is why, the Group concluded that it is deemed appropriate to prepare the consolidated financial statements on the going concern basis.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when

the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

As at 30 June 2019 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate with the following percentage of ownership:

Name	Activity	30 June 2019 % of ownership	31 December 2018 % of ownership	30 June 2018 % of ownership
Subsidiaries:				
Ancor Investments Ltd	Trade and investment activities	100.00%	100.00%	100.00%
LLC Firm "Astarta-Kyiv"	Asset management	99.98%	99.98%	99.98%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	99.72%	99.72%	99.72%
LLC "Agricultural company "Dovzhenko"	Agricultural	99.50%	99.50%	99.48%
LLC "Shyshaki combined forage factory"	Fodder production	90.56%	90.56%	90.56%
LLC "Agricultural company "Dobrobut"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Musievske"	Agricultural	99.98%	99.98%	99.98%
LLC "Globinskiy processing factory"	Soybean processing	99.98%	99.98%	99.98%
LLC "Dobrobut" (Novo-Sanzharskiy region) **	Agricultural	0.00%	99.88%	99.88%
LLC "Investment company "Poltavazernoproduct"	Agricultural	99.98%	99.98%	99.98%
LLC "List-Ruchky"	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	99.95%	99.95%	99.95%
LLC "Khmilnitske"	Agricultural	99.98%	99.98%	99.98%
LLC "Volochnysk-Agro"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Mirgorodska" *	Agricultural	0.00%	99.98%	99.98%
LLC "Kobelyatskiy combined forage factory"	Fodder production	98.59%	98.59%	98.59%
LLC "Agricultural company "Astarta Prykhorollia" ***	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Lan" **	Agricultural	99.98%	99.98%	99.98%
LLC "Nika"	Agricultural	99.98%	99.98%	99.98%

LLC "Zhytynsya Podillya"	Agricultural	96.98%	96.98%	96.98%
LLC "Astarta-Selektsiya"	Research and development	99.98%	99.98%	74.98%
LLC "Agrosvit Savyntsi"	Agricultural	99.98%	99.98%	99.98%
ALC "Novoivanivskiy sugar plant"	Sugar production	94.49%	94.49%	94.49%
LLC "Investpromgaz"	Trade	99.98%	99.98%	99.98%
LLC "Tsukragromprom"	Trade	99.98%	99.98%	99.98%
LLC "Zerno-Agrotrade"	Trade	99.98%	99.98%	99.98%
LLC "Novoorzhytskiy sugar plant"	Sugar production	99.98%	99.98%	99.98%
LLC "APK Savynska"	Sugar production	99.98%	99.98%	99.98%
LLC "Kochubeyivske"	Trade	59.71%	59.71%	58.52%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	99.98%	99.98%	99.98%
LLC "Savynsi agro" *	Agricultural	0.00%	99.98%	99.98%
PE "TMG"	Agricultural	99.98%	99.98%	99.98%
LLC "Eco Energy"	Agricultural	99.98%	99.98%	99.98%
ALLC "Lyaschivka"	Agricultural	99.98%	99.98%	99.98%
PLC "Agrotechnika Kobelyaki" ****	Agricultural	0.00%	51.64%	51.64%
LLC "Agri Chain"	Research and development	99.98%	99.98%	99.98%
ALC "Narkevitskiy sugar plant"	Sugar production	99.98%	99.98%	99.98%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	99.98%	99.98%	99.98%
Astarta Trading GmbH	Trade	100.00%	100.00%	100.00%
LLC "Pochayna-Office"	Asset management	99.98%	99.98%	99.98%
LLC "Pochayna-Nerukhomist" **	Asset management	0.00%	0.00%	99.98%
LLC "Agricultural company "Yaroslavka" *	Agricultural	99.98%	0.00%	0.00%

* In March 2019, LLC "Savynsi agro" was merged with LLC "Agrosvit Savyntsi".
In April 2019, LLC "Agricultural company "Mirgorodska" was merged with LLC "Agricultural company "Astarta Prykhorollia".

In June 2019, the Group obtained control over LLC "Agricultural company "Yaroslavka".

** LLC "Dobrobut" (Novo-Sanzharskiy region) and LLC "Pochayna-Nerukhomist" as at 30 June 2019 were liquidated.

LLC "Agricultural company "Lan" as at 30 June 2019 was on the liquidation stage.

*** In February 2019, LLC "Agricultural company "Khorolska" changed it's legal name to LLC "Astarta Prykhorollia".

**** During 6 months ended 30 June 2019 the Group disposed of PLC "Agrotechnika Kobelyaki". For further detail please refer to Note 5.

All subsidiaries, joint operations and the associate, except for Ancor Investments Ltd and Astarta Trading GmbH, are incorporated in Ukraine. Ancor Investments Ltd is incorporated in Cyprus, Astarta Trading GmbH is incorporated in Switzerland.

(d) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings and machines and equipment classified as property, plant and equipment, biological assets and available for sale investments stated at fair value and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

(e) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Cypriot subsidiary is Euro (EUR). The operating subsidiaries, joint venture and associate registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH and all values are rounded to the nearest thousand, except when otherwise indicated. For the benefit of certain users, the Group also presents all numerical information in EUR. The translation of UAH denominated assets and liabilities into EUR in these consolidated financial statements does not necessarily mean that the Group could realize or settle in EUR the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Group could return or distribute the reported EUR value retained earnings to its shareholders. For the purposes of presenting financial information in EUR, assets and liabilities of the Ukrainian subsidiaries, joint venture and associate are translated from UAH to EUR using the closing rates at each reporting date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in Currency translation reserve.

The principal Ukrainian Hryvnia (“UAH”) exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate		
	2019	2018	30 June 2019	31 December 2018	30 June 2018
EUR	30.43	32.41	29.73	31.71	30.57
USD	26.93	26.75	26.17	27.69	26.19

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is allocated as a separate line in the Consolidated Income Statement.

(f) New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment

Revised standards did not have any effect on the consolidated financial position or performance of the Group and any disclosures in the Group’s consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements for the year ended 31 December 2018 except for the adoption of new Standards and Interpretations noted below.

(a) New and amended standards and interpretations not yet adopted

The Group has not adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2020:

	<i>Effective for annual period beginning on or after</i>
International Financial Reporting Standards ("IFRS")	
▪ IFRS 17 Insurance Contracts	1 January 2021
Amendments to existing standards and interpretations	
▪ Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
▪ Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
▪ Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
▪ Amendments to IFRS 3 – Definition of a business	1 January 2020
▪ Amendments to IAS 1 and IAS 8 – Definition of Material	1 January 2020

4 RIGHT-OF-USE ASSET AND LEASE LIABILITY*(i) Amounts recognised in the consolidated statement of financial position*

The consolidated statement of financial position shows the following amounts relating to leases:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Right-of-use assets			
Land	2 606 552	2 415 616	2 337 717
Office premises	102 498	119 748	130 274
Warehouse	18 913	24 700	9 812
	2 727 963	2 560 064	2 477 803
Lease liabilities			
Non-current	2 048 400	1 873 145	1 911 118
Current portion	512 038	562 687	384 360
	2 560 438	2 435 832	2 295 478

<i>(in thousands of Euro)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Right-of-use assets			
Land	87 673	76 168	76 476
Office premises	3 448	3 776	4 262
Warehouse	636	779	321
	91 757	80 723	81 059
Lease liabilities			
Non-current	68 900	59 063	62 520
Current portion	17 223	17 742	12 574
	86 123	76 805	75 094

Additions to the right-of-use assets during the 6 months 2019 financial year were UAH 380,075 thousand or EUR 12,491 thousand (6 months 2018: UAH 67,449 thousand or EUR 2,081 thousand).

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Notes	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euro)</i>	
		30 June 2019 (unaudited)	30 June 2018 (unaudited)	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Depreciation charge of right-of-use assets					
Land		182 415	169 614	5 995	5 234
Office premises		9 768	8 075	321	249
Warehouse		5 190	2 035	170	63
Interest expense on lease liabilities (included in finance cost)	21	265 614	221 829	8 733	7 011
Expenses relating to short-term leases (included in operating expense)		7 130	3 551	234	110
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)		193 455	177 102	6 358	5 465

The total cash outflow for leases for 6 months 2019 was UAH 498,189 thousand or EUR 16,373 thousand (6 months 2018: UAH 435,547 thousand or EUR 13,439 thousand) and are classified as finance activities in the consolidated cash flow statements.

(iii) The Group's leasing activities and how these are accounted for

The Group leases land, office premises and warehouses for operating activities. Land lease contracts are typically made for fixed periods of 1 to 49 years. Lease contracts for office premises are made for 3 years, but management considers usage period for office premises of 7 years. Warehouse lease contracts are typically made for fixed periods less than 12 months, management considers usage period for some warehouses of 3 years, other premises are used by the Group for current storage of finished goods and the Group has no intentions to extend the lease. Lease payment associated with short-term lease are recognized as an expense as occurred. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group has applied the cost model to right-of-use assets. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the present value of the following lease payments that are not paid as the commencement date:

- fixed payments (including in-substance fixed payments);

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using borrowing cost as published by National Bank of Ukraine on its official web-site (www.bank.gov.ua) as the interest rate implicit in the lease could not be determined.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's assessment of whether it will exercise extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and other assets that have a lease term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

(iv) Extension and termination options

Extension and termination options are included in a number of leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts.

In determining the land lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The majority of extension and termination options held are exercisable by Group or by the respective Lessor that's why they are not included in measurement of assets and liabilities arising from land lease. Extension option is considered exercisable by the Group and is included in measurement of assets and liabilities arising from warehouse and office premises lease, lease term for office premises considered as 7 years and for warehouses as 3 years.

5 BUSINESS COMBINATIONS

Acquisition of new entities in 2019

During the reporting period the Group completed acquisition of LLC AC "Yaroslavska", which is non-listed agricultural company located in Ukraine, with the purpose to expand the agricultural land leases bank.

Purchase of this entity is recognised as asset acquisition within additions to the right-of-use assets.

Acquisition of new entities in 2018

During the reporting period the Group acquired LLC "Pochayna-Office" and LLC "Pochayna-Nerukhomist" which are non-listed companies located in Ukraine with the purpose to acquire office premises.

Purchase of these entities are recognised as asset acquisition within acquisition of Property, plant and equipment (Note 6).

Disposal of subsidiaries in 2019

During the reporting period the Group completed disposal of PLC "Agrotechnika Kobelyaki". The sales consideration is nil.

The difference between the carrying amount of the net assets of subsidiary and the proceeds from sale is not significant.

6 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired assets with a cost of UAH 489,275 thousand or EUR 16,080 thousand.

During the six months ended 30 June 2018, the Group acquired assets with a cost of UAH 700,020 thousand or EUR 21,599 thousand.

Assets with a carrying amount of UAH 27,191 thousand or EUR 893 thousand were disposed of during the six months ended 30 June 2019 (2018: UAH 26,541 thousand or EUR 819 thousand).

7 INTANGIBLE ASSETS

During the six months ended 30 June 2019 the Group acquired intangible assets of UAH 4,565 thousand or EUR 150 thousand.

During the six months ended 30 June 2018 the Group acquired intangible assets of UAH 3,026 thousand or EUR 93 thousand.

Disposals for six months ended 30 June 2019 amounted to UAH 350 thousand or EUR 12 thousand. Disposals for six months ended 30 June 2018 amounted to UAH 15 thousand or EUR 500.

8 BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of six months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

As at 30 June biological assets comprise the following groups:

	30 June 2019		31 December 2018		30 June 2018	
	Units	Amount	Units	Amount	Units	Amount
	(unaudited)		(audited)		(unaudited)	
Non-current biological assets:						
Cattle	25 228	538 264	27 186	539 468	26 035	748 905
Other livestock		453		1 714		2 257
		538 717		541 182		751 162
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	35 223	1 124 517	-	-	40 239	1 178 981
Corn	65 821	1 854 600	-	-	65 335	1 606 659
Winter wheat	49 730	841 493	49 363	502 890	51 638	909 010
Soy	33 015	384 282	-	-	23 092	458 648
Sunflower	30 580	556 225	-	-	40 791	853 033
Barley	1 376	13 366	-	-	716	10 592
Winter rye	388	3 903	745	4 650	833	8 195
Other	1 273	7 395	-	-	2 005	25 578
	217 406	4 785 781	50 108	507 540	224 649	5 050 696
Total biological assets		5 324 498		1 048 722		5 801 858

(in thousands of Euros)	30 June 2019		31 December 2018		30 June 2018	
	Units	Amount	Units	Amount	Units	Amount
	(unaudited)		(audited)		(unaudited)	
Non-current biological assets:						
Cattle	25 228	18 105	27 186	17 010	26 035	24 500
Other livestock		16		54		74
		18 121		17 064		24 574
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	35 223	37 824	-	-	40 239	38 569
Corn	65 821	62 381	-	-	65 335	52 560
Winter wheat	49 730	28 304	49 363	15 857	51 638	29 737
Soy	33 015	12 926	-	-	23 092	15 004
Sunflower	30 580	18 709	-	-	40 791	27 906
Barley	1 376	450	-	-	716	347
Winter rye	388	131	745	147	833	268
Other	1 273	248	-	-	2 005	837
	217 406	160 973	50 108	16 004	224 649	165 228
Total biological assets		179 094		33 068		189 802

9 INVENTORIES

Inventories as at 30 June are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2019	31 December 2018	30 June 2018
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	1 110 712	2 617 392	976 778
Agricultural produce	193 196	2 919 137	250 554
Soybean processing	156 188	244 661	344 037
Cattle farming	1 565	1 394	1 736
	1 461 661	5 782 584	1 573 105
Raw materials and consumables for:			
Sugar production	412 236	100 692	404 125
Cattle farming	116 742	170 332	119 060
Agricultural produce	337 974	319 314	262 931
Other production	15 303	17 711	10 356
Consumables for joint utilization	206 174	113 345	480 089
	1 088 429	721 394	1 276 561
Investments into future crops	213 423	946 953	98 614
	2 763 513	7 450 931	2 948 280

<i>(in thousands of Euros)</i>	30 June 2019	31 December 2018	30 June 2018
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	37 360	82 530	31 954
Agricultural produce	6 498	92 044	8 197
Soybean processing	5 254	7 715	11 255
Cattle farming	53	44	57
	49 165	182 333	51 463
Raw materials and consumables for:			
Sugar production	13 866	3 175	13 221
Cattle farming	3 927	5 371	3 895
Agricultural produce	11 368	10 069	8 602
Other production	515	558	339
Consumables for joint utilization	6 935	3 574	15 706
	36 611	22 747	41 763
Investments into future crops	7 177	29 859	3 224
	92 953	234 939	96 450

All inventories are stated at historical cost, except of agricultural produce, which is measured at fair value less costs to sell at the point of harvest. The fair value of agricultural produce was estimated based on market price as at the date of harvest and is within level 1 of the fair value hierarchy.

10 TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable and prepayments are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2019	31 December 2018	30 June 2018
	(unaudited)	(audited)	(unaudited)
Non-current accounts receivable and prepayments			
Advances to suppliers	38 887	48 814	19 784
Other long-term receivables	(7)	499	509
	38 880	49 313	20 293
Current accounts receivable and prepayments			
Trade receivables	581 910	791 995	373 694
Less allowance	(82 119)	(92 950)	(45 243)
	499 791	699 045	328 451
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	1 392 094	1 527 062	495 605
Advances to suppliers	366 510	214 760	264 588
Less allowance	(67 680)	(65 083)	(32 221)
	1 690 924	1 676 739	727 972
Other financial assets:			
Government bonds	20 662	27 409	11 849
Financial aid	1 473	32	138
Less allowance	(80)	-	-
Other receivables	9 884	14 634	40 860
Less allowance	(2 962)	(8 276)	(15 527)
	28 977	33 799	37 320
	2 219 692	2 409 583	1 093 743

<i>(in thousands of Euros)</i>	30 June 2019	31 December 2018	30 June 2018
	(unaudited)	(audited)	(unaudited)
Non-current accounts receivable and prepayments			
Advances to suppliers	1 308	1 539	647
Other long-term receivables	-	16	17
	1 308	1 555	664
Current accounts receivable and prepayments			
Trade receivables	19 573	24 973	12 225
Less allowance	(2 762)	(2 931)	(1 480)
	16 811	22 042	10 745
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	46 824	48 151	16 213
Advances to suppliers	12 328	6 772	8 656
Less allowance	(2 276)	(2 052)	(1 054)
	56 876	52 871	23 815
Other financial assets:			
Government bonds	695	864	388
Financial aid	50	1	5
Less allowance	(3)	-	-
Other receivables	332	463	1 337
Less allowance	(100)	(262)	(508)
	974	1 066	1 222
	74 661	75 979	35 782

11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2019	31 December 2018	30 June 2018
	(unaudited)	(audited)	(unaudited)
Cash in banks in USD	208 578	308 808	395 503
Cash in banks in UAH	284 783	82 402	272 512
Cash in banks in EUR	17 488	22 903	7 841
Cash in banks in PLN	3 665	4 000	120
Cash in banks in CHF	93	164	107
	514 607	418 277	676 083
Cash on hand in UAH	751	605	280
	515 358	418 882	676 363

<i>(in thousands of Euros)</i>	30 June 2019	31 December 2018	30 June 2018
	(unaudited)	(audited)	(unaudited)
Cash in banks in USD	7 015	9 738	12 938
Cash in banks in UAH	9 579	2 598	8 915
Cash in banks in EUR	588	722	257
Cash in banks in PLN	123,00	126	4
Cash in banks in CHF	3,00	5	4
	17 308	13 189	22 118
Cash on hand in UAH	26	19	9
	17 334	13 208	22 127

12 SHARE CAPITAL

ASTARTA Holding N.V. has one class of common shares with par value of EUR 0.01 (UAH 0.28). All shares have equal voting rights. The number of authorized shares as of 30 June 2019 is 30,000 thousand (2018: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2018: 25,000 thousand).

Share capital is as follows:

	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Astarta Holding N.V.			
Ivanchyk V.P.	37.99%	36.26%	36.26%
Fairfax Financial Holdings LTD with subsidiaries	28.16%	28.16%	28.06%
Other shareholders	33.85%	35.58%	35.68%
	100.00%	100.00%	100.00%

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Net profit attributable to equity holders of the company	897 738	1 173 275	30 271	37 252
Weighted average basic and diluted shares outstanding (in thousands of shares)	24 386	24 405	24 386	24 405
Earnings per share attributable to shareholders of the company	36,81	48,08	1,24	1,53

13 LOANS AND BORROWINGS

Loans and borrowings are as follows:

	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
<i>(in thousands of Ukrainian hryvnias)</i>			
Long-term loans and borrowings:			
Bank loans	-	17 778	2 147 079
Borrowings from non-financial institutions	-	-	65 473
Finance lease liabilities	22 109	31 324	40 484
Transaction costs	-	(192)	(22 236)
	22 109	48 910	2 230 800
Current portion of long-term loans and borrowings:			
Bank loans	33 327	63 478	780 873
Borrowings from non-financial institutions	46 053	90 264	-
Finance lease liabilities	18 586	18 420	18 322
Transaction costs	(770)	(1 663)	(12 101)
	97 196	170 499	787 094
Short-term loans and borrowings:			
Bank loans	5 521 858	7 179 555	2 274 926
Transaction costs	(30 077)	(36 752)	(2 074)
	5 491 781	7 142 803	2 272 852
	5 611 086	7 362 212	5 290 746

<i>(in thousands of Euros)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Long-term loans and borrowings:			
Bank loans	-	560	70 239
Borrowings from non-financial institutions	-	-	2 142
Finance lease liabilities	744	988	1 324
Transaction costs	-	(6)	(727)
	744	1 542	72 978
Current portion of long-term loans and borrowings:			
Bank loans	1 121	2 002	25 546
Borrowings from non-financial institutions	1 549	2 846	-
Finance lease liabilities	625	580	599
Transaction costs	(26)	(52)	(396)
	3 269	5 376	25 749
Short-term loans and borrowings:			
Bank loans	185 732	226 384	74 422
Transaction costs	(1 012)	(1 159)	(68)
	184 720	225 225	74 354
	188 733	232 143	173 081

Bank loans are secured as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Rights of claim on future cash proceeds from sale contracts	340 791	434 912	274 513
Inventories (Note 9)	1 214 044	3 621 576	1 391 664
Property, plant and equipment (Note 6)	3 308 554	3 328 998	2 886 056
Biological assets (Note 8)	2 393 510	-	979 122
Short-term deposits	10 000	-	-
Cash and cash equivalents (note 11)	168 111	98 763	187 982
	7 435 010	7 484 249	5 719 337

<i>(in thousands of Euros)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Rights of claim on future cash proceeds from sale contracts	11 463	13 714	8 980
Inventories (Note 9)	40 835	114 194	45 527
Property, plant and equipment (Note 6)	111 286	104 969	94 414
Biological assets (Note 8)	80 508	-	32 031
Short-term deposits	336	-	-
Cash and cash equivalents (note 11)	5 655	3 114	6 150
	250 083	235 991	187 102

14 OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other accounts payable as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Other liabilities:			
Advances received from customers	164 021	179 341	276 174
VAT payable	10 013	168 908	-
	174 034	348 249	276 174
Other accounts payable:			
Accrual for unused vacations	68 970	76 482	84 303
Salaries payable	38 620	50 058	39 632
Other taxes and charges payable	30 470	39 807	29 188
Interest payable	73 686	82 681	52 230
Payable to non-controlling interests	13 069	35 520	36 057
Accounts payable for property, plant and equipment	6 320	18 349	22 069
Social insurance payable	11 524	11 790	9 054
Settlements with land and fixed assets lessors	173 854	36 549	-
Other payables	37 242	35 186	35 123
	453 755	386 422	307 656
	627 789	734 671	583 830

<i>(in thousands of Euros)</i>	30 June 2019 (unaudited)	31 December 2018 (audited)	30 June 2018 (unaudited)
Other liabilities:			
Advances received from customers	5 517	5 655	9 035
VAT payable	337	5 326	-
	5 854	10 981	9 035
Other accounts payable:			
Accrual for unused vacations	2 320	2 412	2 758
Salaries payable	1 299	1 578	1 297
Other taxes and charges payable	1 025	1 255	955
Interest payable	2 478	2 607	1 709
Payable to non-controlling interests	440	1 120	1 180
Accounts payable for property, plant and equipment	213	579	722
Social insurance payable	388	372	296
Settlements with land and fixed assets lessors	5 848	1 152	-
Other payables	1 250	1 109	1 149
	15 261	12 184	10 066
	21 115	23 165	19 101

15 REVENUES

Revenues for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
Sugar and related sales:				
Sugar	1 536 971	2 037 432	50 491	62 776
Molasses	48 091	69 699	1 580	2 148
Pulp	98 958	83 193	3 251	2 563
	1 684 020	2 190 324	55 322	67 487
Crops	3 233 614	1 617 200	106 227	49 828
Soybean processing products	1 399 579	1 289 105	45 978	39 719
Cattle farming	509 844	475 616	16 749	14 654
Other sales	112 279	111 172	3 688	3 427
	5 255 316	3 493 093	172 642	107 628
	6 939 336	5 683 417	227 964	175 115

16 COST OF REVENUES

Cost of revenues for the six months ended 30 June by product is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Sugar and related sales:				
Sugar	1 434 357	1 752 898	47 140	54 045
Molasses	45 303	48 831	1 489	1 506
Pulp	52 402	46 281	1 722	1 427
	1 532 062	1 848 010	50 351	56 978
Crops	3 038 938	1 478 974	99 874	45 600
Soybean processing products	1 173 433	1 181 614	38 565	36 431
Cattle farming	406 933	394 703	13 374	12 169
Other sales	107 070	97 746	3 519	3 014
	4 726 374	3 153 037	155 332	97 214
	6 258 436	5 001 047	205 683	154 192

Cost of revenues include effect of fair value measurement of agricultural produce in amount of UAH 938,675 thousand or EUR 30,847 thousand (2018: UAH 500,080 thousand or EUR 15,418 thousand).

17 OTHER OPERATING INCOME

Other operating income for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Government subsidies relating to:				
Cattle farming	2 498	3 486	83	110
Recovery of assets previously written off	58 637	46 801	1 946	1 473
Other operating income	8 573	25 782	285	811
	69 708	76 069	2 314	2 394

18 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salary and related charges	203 961	234 798	6 711	7 312
Depreciation	46 104	28 877	1 517	899
Professional services	32 777	26 540	1 078	826
Taxes other than corporate income tax	5 091	4 540	168	141
Fuel and other materials	8 829	9 595	291	299
Office expenses	5 233	5 092	172	159
Bank charges	4 887	4 891	161	152
Insurance	3 932	4 207	129	131
Communication	2 666	2 774	88	86
Rent	2 355	4 677	77	146
Maintenance	1 138	941	37	29
Transportation	408	359	13	11
Other	8 972	21 601	296	674
	326 353	348 892	10 738	10 865

19 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Transportation	341 634	296 822	11 167	9 105
Storage and logistics	115 621	84 556	3 779	2 594
Salary and related charges	40 779	59 233	1 333	1 817
Depreciation	16 365	9 524	535	292
Fuel and other materials	13 055	14 160	427	434
Professional services	8 075	6 917	264	212
Allowance for trade accounts receivable	(1)	6 750	-	207
Other	20 526	26 228	670	805
	556 054	504 190	18 175	15 466

20 OTHER OPERATING EXPENSES

Other operating expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Write down of inventories	23 656	42 138	774	1 297
Loss on disposal of property, plant and equipment	20 928	3 218	685	99
Other salary and related charges	15 138	11 063	495	340
Depreciation	35 703	4 951	1 168	152
Charity and social expenses	12 500	20 765	409	639
VAT written off	6 627	16 632	217	512
Allowance for other accounts receivable	16	(5 099)	1	(157)
Penalties paid	1 207	914	39	28
Other	10 655	22 180	348	683
	126 430	116 762	4 136	3 593

21 FINANCE (COSTS) INCOME

Finance (costs) income for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance costs				
Foreign currency exchange loss, net	305 295	308 428	10 119	9 748
Interest expense				
Bank loans	(276 888)	(157 679)	(9 098)	(4 983)
Finance lease liabilities	(3 800)	(4 734)	(125)	(150)
Borrowings from non-financial institutions	(1 583)	(2 783)	(52)	(88)
	(282 271)	(165 196)	(9 275)	(5 221)
Net loss attributable to non-controlling interests of limited liability company subsidiaries	326	(16 626)	11	(525)
Interest expense on land lease liability	(265 614)	(221 829)	(8 733)	(7 011)
Other finance costs	(13 952)	(16 758)	(458)	(531)
	(279 240)	(255 213)	(9 180)	(8 067)
	(256 216)	(111 981)	(8 336)	(3 540)
Finance income				
Interest income	14 341	11 022	471	348
Other finance income	537	13 823	18	437
	14 878	24 845	489	785

22 INCOME TAX EXPENSE

Certain companies in the Group are subject to income taxes. Income tax expense for these companies for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019	2018	2019	2018
Current tax expenses	(41 053)	(65 244)	(1 309)	(2 072)
Deferred tax (expense)/benefit	52 842	29 225	1 685	928
	11 789	(36 019)	376	(1 144)

In 2019, 13 subsidiaries elected to pay FAT in lieu of other taxes (2018: 16 companies). FAT expense is included to cost of revenues. The remaining companies were subject to the Ukrainian corporate income tax at 18% rate (2018: 18%), Dutch corporate income tax rate of 25% and Cypriot income tax rate of 12.5%, Swiss income tax rate of 14.6%.

23 SEGMENT REPORTING

At 30 June 2019 and 2018, the Group is organized into four main operating/ reportable segments:

- production and wholesale distribution of sugar (sugar production)
- growing and selling grain and oilseeds crops (agriculture)
- dairy cattle farming (cattle farming)
- soybean processing

Other Group operations mainly comprise the production and sales of fodder and gas. Neither of these constitutes a separately reportable segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions is the management board.

Revenues from external customers are derived primarily from the sales of sugar, crops, soybean processing and cattle farming products and are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The sugar segment is highly seasonal, as sugar plants normally operate during September – December processing sugar beets harvested in September-November.

The agriculture segment, in the first half of the Group's financial year due to seasonality and the implications of IAS 41, reflects the effects of the valuation of biological assets and the sale of carriedforward agri produce, while financial performance during the second half of the financial year mainly reflects the sale of crops and the effects of the revaluation of agri produce carried forward.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investments classified as available-for-sale financial assets are not considered to be segment assets. The amounts of total liabilities are measured in a manner consistent with that of the consolidated financial statements. Liabilities are allocated based on the operations of the segment.

All unallocated items relate to overall Group's operational activity and may not be allocated to the identified reporting segments.

The segment information for the six months ended 30 June 2019 is as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenues	1 684 020	2 190 324	3 690 726	1 870 702	509 844	475 616	1 399 579	1 289 105	112 279	111 172	7 396 448	5 936 919
Inter-segment revenues	-	-	457 112	253 502	-	-	-	-	-	-	457 112	253 502
Revenues from external customers	1 684 020	2 190 324	3 233 614	1 617 200	509 844	475 616	1 399 579	1 289 105	112 279	111 172	6 939 336	5 683 417
Total cost of revenues	(1 532 062)	(1 848 010)	(3 496 050)	(1 732 476)	(406 933)	(394 703)	(1 173 433)	(1 181 614)	(107 070)	(97 746)	(6 715 548)	(5 254 549)
Inter-segment cost of revenues	-	-	(457 112)	(253 502)	-	-	-	-	-	-	(457 112)	(253 502)
Cost of revenues	(1 532 062)	(1 848 010)	(3 038 938)	(1 478 974)	(406 933)	(394 703)	(1 173 433)	(1 181 614)	(107 070)	(97 746)	(6 258 436)	(5 001 047)
Changes in fair value of biological assets and agricultural produce	-	-	1 386 155	1 532 296	6 881	(33 306)	-	-	-	-	1 393 036	1 498 990
Gross profit	151 958	342 314	1 580 831	1 670 522	109 792	47 607	226 146	107 491	5 209	13 426	2 073 936	2 181 360
Other operating income	2 727	25 146	57 893	22 064	2 857	6 162	1	242	6 230	22 455	69 708	76 069
General and administrative expense	(84 213)	(88 800)	(204 090)	(180 092)	(22 044)	(41 494)	(7 528)	(7 321)	(8 478)	(31 185)	(326 353)	(348 892)
Selling and distribution expense	(117 640)	(164 270)	(347 012)	(256 948)	(5 240)	(6 828)	(79 168)	(51 411)	(6 994)	(24 733)	(556 054)	(504 190)
Other operating expense	(5 095)	(13 274)	(73 533)	(41 599)	(3 226)	(1 875)	(7 622)	(5 452)	(36 954)	(54 562)	(126 430)	(116 762)
Profit (loss) from operations	(52 263)	101 116	1 014 089	1 213 947	82 139	3 572	131 829	43 549	(40 987)	(74 599)	1 134 807	1 287 585
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	305 295	308 428	305 295	308 428
Interest expense	(124 117)	(51 424)	(123 837)	(51 808)	-	(3)	(32 311)	(25 446)	(2 006)	(36 515)	(282 271)	(165 196)
Interest income	-	-	-	-	-	-	-	-	14 341	11 022	14 341	11 022
Other income (expense)	-	-	-	-	-	-	-	-	(20 609)	(10 716)	(20 609)	(10 716)
Interest expense on lease liability	(10 721)	-	(238 405)	-	-	-	-	-	(16 488)	(221 829)	(265 614)	(221 829)
Profit (loss) before tax	(187 101)	49 692	651 847	1 162 139	82 139	3 569	99 518	18 103	239 546	(24 209)	885 949	1 209 294
Taxation	-	-	-	-	-	-	-	-	11 789	(36 019)	11 789	(36 019)
Net profit (loss)	(187 101)	49 692	651 847	1 162 139	82 139	3 569	99 518	18 103	251 335	(60 228)	897 738	1 173 275
Consolidated total assets	4 536 916	5 070 872	14 182 753	11 994 781	1 074 089	1 502 863	1 023 683	1 036 032	1 433 917	1 832 030	22 251 358	21 436 578
Consolidated total liabilities	2 504 921	2 175 611	5 864 599	4 464 766	6 627	18 647	787 330	1 158 620	684 734	933 077	9 848 211	8 750 721
Other segment information:												
Depreciation and amortisation	177 054	139 819	529 439	419 001	23 041	23 860	21 631	17 775	28 500	14 828	779 665	615 283
Additions to non-current assets:												
Property, plant and equipment	1 905	56 483	478 018	422 220	3 079	21 413	2 297	10 821	1 504	189 083	486 803	700 020
Intangible assets	350	-	426	2 528	-	128	16	-	3 773	370	4 565	3 026

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenues	55 322	67 487	121 244	57 639	16 749	14 654	45 978	39 719	3 687	3 425	242 980	182 924
Inter-segment revenues	-	-	15 016	7 809	-	-	-	-	-	-	15 016	7 809
Revenues from external customers	55 322	67 487	106 228	49 830	16 749	14 654	45 978	39 719	3 687	3 425	227 964	175 115
Total cost of revenues	(50 351)	(56 978)	(114 890)	(53 409)	(13 374)	(12 169)	(38 565)	(36 431)	(3 519)	(3 014)	(220 699)	(162 001)
Inter-segment cost of revenues	-	-	(15 016)	(7 809)	-	-	-	-	-	-	(15 016)	(7 809)
Cost of revenues	(50 351)	(56 978)	(99 874)	(45 600)	(13 374)	(12 169)	(38 565)	(36 431)	(3 519)	(3 014)	(205 683)	(154 192)
Changes in fair value of biological assets and agricultural produce	-	-	46 219	48 533	229	(1 055)	-	-	-	-	46 448	47 478
Gross profit	4 971	10 509	52 573	52 763	3 604	1 430	7 413	3 288	168	411	68 729	68 401
Other operating income	91	791	1 922	694	95	194	-	8	206	707	2 314	2 394
General and administrative expense	(2 771)	(2 765)	(6 715)	(5 608)	(725)	(1 292)	(248)	(228)	(279)	(972)	(10 738)	(10 865)
Selling and distribution expense	(3 845)	(5 039)	(11 342)	(7 882)	(171)	(209)	(2 588)	(1 577)	(229)	(759)	(18 175)	(15 466)
Other operating expense	(167)	(408)	(2 406)	(1 280)	(106)	(58)	(249)	(168)	(1 208)	(1 679)	(4 136)	(3 593)
Profit (loss) from operations	(1 721)	3 088	34 032	38 687	2 697	65	4 328	1 323	(1 342)	(2 292)	37 994	40 871
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	10 119	9 748	10 119	9 748
Interest expense	(4 078)	(1 625)	(4 069)	(1 637)	-	-	(1 062)	(804)	(66)	(1 155)	(9 275)	(5 221)
Interest income	-	-	-	-	-	-	-	-	471	348	471	348
Other income (expense)	-	-	-	-	-	-	-	-	(681)	(339)	(681)	(339)
Interest expense on lease liability	(352)	-	(7 838)	-	-	-	-	-	(543)	(7 011)	(8 733)	(7 011)
Profit (loss) before tax	(6 151)	1 463	22 125	37 050	2 697	65	3 266	519	7 958	(701)	29 895	38 396
Taxation	-	-	-	-	-	-	-	-	376	(1 144)	376	(1 144)
Net profit (loss)	(6 151)	1 463	22 125	37 050	2 697	65	3 266	519	8 334	(1 845)	30 271	37 252
Consolidated total assets	152 603	165 888	477 048	392 645	36 128	49 165	34 432	33 893	48 231	59 935	748 442	701 526
Consolidated total liabilities	84 255	71 173	197 260	146 060	223	610	26 482	37 903	23 032	30 525	331 252	286 271
Other segment information:												
Depreciation and amortisation	5 819	4 314	17 396	12 929	757	736	711	548	941	458	25 624	18 985
Additions to non-current assets:												
Property, plant and equipment	63	1 743	15 710	13 028	101	661	75	334	49	5 833	15 998	21 599
Intangible assets	12	-	14	78	-	4	1	-	124	11	151	93

24 RELATED PARTY TRANSACTIONS

The Group enters into transactions with related parties in the ordinary course of business. Related parties comprise the Group's associates, joint ventures, the shareholders, companies that are under control of the Group's shareholders, key management personnel and their close family members and companies that are controlled or significantly influenced by shareholders. Prices for related party transactions are determined on an ongoing basis. The terms of related party transactions may differ from market terms.

The following table summarises transactions that have been entered into with related parties for the six months ended 30 June 2019 as well as balances with related parties as at 30 June 2019:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	1 499	18 668	5 793	47 346
	1 499	18 668	5 793	47 346

<i>(in thousands of Euros)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	49	614	195	1 593
	49	614	195	1 593

The following table summarises transactions that have been entered into with related parties for the six months ended 30 June 2018 as well as balances with related parties as at 30 June 2018:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	8	15 296	33 683	103 753
	8	15 296	33 683	103 753

<i>(in thousands of Euros)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	-	472	1 102	3 394
	-	472	1 102	3 394

25 EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no significant events subsequent to the reporting date.

16 August 2019

Amsterdam, the Netherlands

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk (signed)

V. Gladkyi (signed)

M.M.L.J. van Campen (signed)

H.A Dahl (signed)

G.Mettetal (signed)

H.Arslan (signed)